

**West Palm Beach Police Pension Fund
2100 North Florida Mango Road
West Palm Beach, Florida 33409**

Minutes

**September 10, 2021
8:30 AM**

CALL THE MEETING TO ORDER

Mr. Frost called to order the West Palm Beach Police Pension Fund Meeting on September 10, 2021, at 8:30 AM, in the main conference room of the Ernest George Building of the Palm Beach County Police Benevolent Association.

Present at the meeting: Jonathan Frost, Board Chairman; Troy Marchese, Board Secretary; Craig Kahle, Board Trustee & Dana Fragakis¹, Board Trustee.

Also present: John Dickie & Kieran McGlynn, Aberdeen Standard; Nikki Noriega & Alex Dodge, Invesco; Kate Hurley & Meena Gandhi, JPMorgan²; Karen Malcomb, City of West Palm Beach; Brendon Vavrica³ & John McCann, AndCo Consulting; Adam Myers & Dusten Campbell, Active Members; Bonni Jensen, Board Attorney - Klausner, Kaufman, Jensen & Levinson; and Dave Williams, Plan Administrator & Mr. Michael Williams, Assistant to the Plan Administrator.

PUBLIC COMMENTS

Mr. Myers commented about members e-mailing for assistance and not receiving a response. Mr. Marchese interjected that active members should be directed to him and Trustee Ahern if they have any issues. Mr. Marchese advised Mr. Myers that members can also find all the required forms on-line at www.wpbppf.com. The noted E-Mail block was raised, and Mr. Marchese will continue to pursue with IT. Finally, it was also suggested members can call the office (561.471.0802) as well. Mr. Campbell suggested that there was a disconnect between millennials and making telephone calls.

The Board held a moment of silence for Officer Robert Williams⁴ who recently passed away. As the meeting was the day before the 20th anniversary of 9-11, Mr. Frost suggested the victims of that attack be remembered as well.

APPROVAL OF THE MINUTES

Mr. Frost asked if there were any additional changes required to the minutes of August 13, 2021. Changes were noted accordingly. Mr. Kahle made the motion to approve the minutes, which was seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 4-0.

ATTORNEY'S REPORT

Mrs. Jensen advised the changes to the special act have been filed. Impact statement included in the Trustee packets. Public meetings to follow on this matter⁵.

Mrs. Jensen presented the final order on the Raja matter, which was executed accordingly.

¹ Attended Remotely.

² All Managers Attended Remotely.

³ Attended Remotely.

⁴ <https://www.facebook.com/westpalmbeachpolice/photos/a.10151732736818167/10158802569568167/?type=3>

⁵ September 27, 2021 - 10 am Mayor Commission workshop presentation regarding the State of Pension Fund.

September 28, 2021 - 12 noon - deadline for submission of the Special Act for consideration by Palm Beach County Legislative Delegation.

October 28, 2021 - 9 am - presentation of local bills and public hearings.

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Mrs. Jensen she is working on several disability cases.

Mrs. Jensen cited the death of Officer Robert Williams. Matter is under review to determine if his passing was duty or non-duty related.

Mrs. Jensen provided memorandums related to COVID deaths and local state and federal benefits.

http://wpbppf.com/docs/announcements/2021_09_07%20Federal,%20State%20and%20Local%20Death%20Benefits.PDF#zoom=100
<http://wpbppf.com/docs/announcements/Rev%20Federal%20Death%20Benefit%20and%20COVID%20Memo%202021.PDF#zoom=100>

NEW BUSINESS

Annual 185 Distribution: Mr. Williams provided a detailed report and reviewed the share allocation. \$1,597,683.24 was received from the State of Florida and allocated accordingly based on payroll records for calendar year. After review, a motion was made by Mr. Marchese to approve as presented. The motion was seconded by Mr. Kahle. All Trustees voted yes, and the motion was passed 4-0.

Reallocation Annual 185 Forfeitures: Mr. Williams provided a detailed report and reviewed the forfeiture share allocation. \$279,436.72 was identified⁶ and reallocated accordingly based on payroll records for calendar year. After review, a motion was made by Mr. Marchese to approve as presented. The motion was seconded by Mr. Kahle. All Trustees voted yes, and the motion was passed 4-0.

ADMINISTRATOR'S REPORT

Warrants approved since the last meeting were presented to the Board in spreadsheet format by Mr. Williams. A formal administrative report was also provided for consideration. After Mr. D. Williams detailed the report, Mr. Marchese made the motion to approve, which was seconded by Mr. Kahle. All Trustees voted yes, and the motion was passed 4-0.

Mr. Williams updated the Board on the Nelli Restore Matter. The city provided the detailed history needed to restore Mr. Nelli in our system as if he was never terminated. IT will import accordingly.

INVESTMENT PRESENTATION

Invesco – Ms. Nikki Noriega & Mr. Alex Dodge presented for Invesco. Mr. Frost spoke about portfolio exposure within China and asked Ms. Noriega to opine.

- The investment position relative to the benchmark and noted.
- Invesco owns no companies on the sanctioned list.
- China has always been an underweight in the portfolio.
- Concerns with a lot of the companies.
- The latest round of government intervention did hurt the portfolio.
- We were in agreement of what the government had planned.
- Could avoid systemic risk.
- Started to see monopolistic behaviors.
- Making sure people have fair wages and insurance.
- Trying to create better equality of opportunity.
- Education regulations are what hurt us.
- Did not consider the destruction of an entire industry as a risk.
- Government wants to allow domestic investors to invest in companies.
- See China as a Bull market in the long run.

⁶ Non-Vested Terminated Members.

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Long Term - The second wave has made it look like we will have great 2022 returns that we were hoping would have in 2021

Aberdeen Standard – Mr. John Dickie & Mr. Kieran McGlynn presented for Aberdeen Standard.

Mr. Dickie reviewed Aberdeen Private Equity VII and highlighted Primary Commitments and Co-Investments.

| APE VII Overview | | |
|------------------------------------|------------|----------------------------------|
| Summary | | Key Metrics |
| Fund Size: | \$339M | • 106% committed; 78% called |
| Vintage: | 2017-2019 | • 15 manager commitments |
| Phase: | Investment | • 20 co-investments |
| | | • \$140M distributed (0.53x DPI) |
| Q1'21 Performance | | Multiple IRR |
| Net | | 1.92x 40.1% |
| Benchmark - Median PE ¹ | | 1.22x 14.1% |
| Net, Net | | 1.94x 39.2% |
| Benchmark - S&P 500 ² | | 1.38x 18.5% |

Mr. Dickie cited that Aberdeen Private Equity IX was too early to report, however touched on portfolio construction. Primary Commitments to date were also revealed.

Mr. Frost spoke about the laddering approach to private equity that the Board along with Mr. McCann has supported and focused on. The representatives were advised to keep the Board up to date with Aberdeen Private Equity Fund X when appropriate.

JPMorgan Private Equity (PEG) - Mrs. Kate Hurley & Mrs. Meena Gandhi presented for JPMorgan.

Mrs. Hurley spoke about the diverse & dedicated private equity team with a proven strategy and process that has been refined over the past 41 years. PEG investment philosophy and strategies were also noted.

Mrs. Gandhi reviewed PEG VII and PEG IX Portfolios.

PEG Global Private Equity VII: Snapshot

As of June 30, 2021

| FUND CHARACTERISTICS | | |
|---|----------------------------|------------------|
| Vintage years | 2018 - 2020 | |
| Fund size: | \$850mm | |
| Committed to investments: | \$878mm (103% of raised) | |
| Capital Invested: | \$525mm (60% of committed) | |
| Distributions: | \$77mm (15% of paid-in) | |
| Remaining value ¹ as of 3/31/2021 | \$570mm | |
| Investment gross performance ¹ as of 3/31/2021 | | |
| | IRR | MOIC |
| Global Private Equity VII (gross) | 25% | 1.3x |
| Burgiss quartile ² | 2nd | 2nd |
| Investment gross performance ¹ summary | | |
| Partnership investments | 41% | 1.5x |
| Direct and secondary investments | 15% | 1.2x |
| Investor net performance ³ as of 3/31/2021 | | |
| | IRR | MOIC |
| Global Private Equity VII (net) | 19% | 1.3x |
| Net benchmarks as of 3/31/2021 | | |
| | Direct Alpha ⁴ | PME ⁵ |
| Relative to MSCI World | 1% | 1.01 |

PEG Global Private Equity IX: Snapshot

As of June 30, 2021

| FUND CHARACTERISTICS | | |
|---|----------------------------|------------------|
| Vintage years | 2020 - est. 2023 | |
| Fund size: | \$905mm | |
| Committed to investments: | \$484mm (53% of raised) | |
| Capital Invested: | \$176mm (36% of committed) | |
| Distributions: | \$- | |
| Remaining value ¹ as of 3/31/2021 | \$176mm | |
| Investment gross performance ¹ as of 3/31/2021 | | |
| | IRR | MOIC |
| Global Private Equity IX (gross) | 46% | 1.3x |
| Burgiss quartile ² | 1st | 1st |
| Investment gross performance ¹ summary | | |
| Partnership investments | 44% | 1.1x |
| Direct and secondary investments | 46% | 1.3x |
| Investor net performance ³ as of 3/31/2021 | | |
| | IRR | MOIC |
| Global Private Equity IX (net) | 70% | 1.2x |
| Net benchmarks as of 3/31/2021 | | |
| | Direct Alpha ⁴ | PME ⁵ |
| Relative to MSCI World | 7% | 1.02 |

PEG VII and PEG IX commitments were also highlighted as well as co-investments.

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Mr. Frost raised the question with regard to PEG Fund X as a result of the laddering model the Board has adopted. Mrs. Gandhi cited PEG X was open to new investors now and would be closing by year end.

Mr. Kahle made the motion to make an additional 12-million-dollar investment in JPMorgan PEG X. The motion was seconded by Mr. Marchese. All Trustees voted yes, and the motion was passed 4-0. Mrs. Jensen will proceed with the subscription agreement.

AndCo Consulting – Mr. McCann reported a return of 24% for the period of October 1, 2020 through July 31, 2021.

OPEN DISCUSSION

Mr. Frost spoke about the Mayor⁷ about joining us at the November 12, 2021 meeting.

ADJOURNMENT

Being there was no other business; the meeting was adjourned by motion at 10:44 AM.

Next meeting is scheduled for October 8, 2021, at 8:30 AM.



Troy Marchese, Board Secretary

⁷ <https://www.wpb.org/our-city/mayor-s-office>.